GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:835
ANSWERED ON:13.07.2004
REVIVAL OF SICK FERTILIZER UNITS
Chowdhury Shri Adhir Ranjan

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e:

(a) the names of the fertilizer unit declared sick as on date, State-wise;

(b) the policy of Government with regard to revival of sick fertilizer units and expansion of the existing units;

(c) the steps taken in that direction during the last plan period and the programme drawn for current plan;

(d) whether any effort is being made to achieve self-sufficiency in fertilizers;

(e) if so, the achievement made in that regard in last plan; and

(f) the projection made for production of fertilizers in current plan, both in public and private sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI K. RAHMAN KHAN)

(a) The details of the sick fertilizer units are given below:-

Name of the Company	Unit	State
Fertilizer Corporation of India Ltd. (FCI)	Gorakhpur	Uttar Pradesh
	Korba	Chattisgarh
	Ramagundam	Andhra Pradesh
	Sindri	Jharkhand
	Talcher	Orissa
Hindustan Fertilizer Corporation of India Ltd. (HFC)	Barauni	Bihar
	Durgapur	West Bengal
	Haldia	West Bengal
Pyrites, Phosphates and Chemicals Ltd. (PPCL)	Dehradun	Uttaranchal
	Amjhore	Bihar
	Saladipura	Rajasthan

(b) As per Government`s Common Minimum Programme (CMP), the sick fertilizer companies are to be modernized, restructured and revived and the chronically loss making companies will either be sold or closed after all workers have got their legitimate dues and compensation.

(c) In the light of the CMP, the revival of the closed fertilizer Public Sector Undertakings is being re-examined based on market demand and their techno-economic viability.

(d) & (e) : As per the industrial policy resolution dated 24th July, 1991, no industrial licence is required for setting up and expansion of fertilizer plants, subject to environment clearance. However, the Government has been pursuing policies which are conducive for encouraging investment in fertilizer sector so as to achieve self-sufficiency in meeting the indigenous requirement of major fertilizers. In case of urea, the Government has recently announced the pricing policy for investment to be made in (a) new and expansion projects of urea; and (b) existing non-gas based urea units converting to natural gas/LNG for feedstock/fuel. In order to augment indigenous availability of urea, IFFCO and KRIBHCO, the multi-state cooperative societies, are setting up a joint venture in Sur, Oman with Oman Oil Company and the entire production of 16.52 lakh MT of urea will be imported by the Government. On the other hand,

installed capacity (54.20 lakh MT in nutrient terms) of phosphatic and potassic fertilizers (except MOP) is sufficient enough to meet the current level of requirement (average consumption of 46.47 lakh MT of last three years). As regards MOP, the country is dependent on total imports in the absence of any exploitable reserves of potash in the country.

(f) As per the Tenth Plan working group assuming 100% capacity utilization in existing plants, the estimated production of nitrogen and phosphate in the Tenth Five Year Plan, in nutrient terms is estimated as follows:-

Year	Nitrogen (N)	Phosphate (P)
2002-03	120.58	52.31
2003-04	121.74	52.31
2004-05	121.74	52.31
2005-06	121.74	52.31
2006-07	129.28	52.31